(d) Complete any training required by § 1924.74.

[61 FR 35924, July 9, 1996]

§ 1924.60   Nonfarm enterprises.

A nonfarm enterprise is any business enterprise which supplements farm income by providing goods or services for which there is a need and a reasonably reliable market. The same general policies covered in this subpart for giving management assistance to an applicant or borrower on farm loans will be followed in dealing with an applicant or borrower on nonfarm enterprise loans. The appropriate plans and record book will be used for the nonfarm enterprise. The borrower responsibilities in § 1924.59(a) also apply to nonfarm enterprises.

[61 FR 35924, July 9, 1996]

§§ 1924.61–1924.73   [Reserved]

§ 1924.74   Borrower Training program.

(a) *Introduction.* (1) Supervised credit includes helping borrowers to develop the skills necessary for successful, efficient production and financial management of a farm business. An effective, formal training program provides a solid foundation on which borrowers can build the skills which will enable them to become efficient, financially sound producers who can obtain commercial financing. The goal of this training is for borrowers to develop and improve the financial and production management skills necessary to successfully operate a farm, build equity in the farm business, and become financially successful to graduate from Agency programs to commercial sources of credit.

(2) The authorities contained in this section require certain Farm Credit Programs borrowers to obtain training in production and financial management concepts. Unless waived, this training requirement will be an eligibility requirement for all Agency direct loans. The training requirement will also apply to all direct borrowers who receive Primary Loan Servicing actions approved under subpart S of part 1951 of this chapter, with the exception of net recovery buyout offers. Borrowers who do not request new loans or servicing actions will be notified during farm visits and annual analyses of approved courses in their area. Also, a current list of approved courses will be posted in the County Office.

(3) The training will be carried out by public and/or private sector providers of farm management and credit counseling services (including, but not limited to, community colleges, the Extension Service, State Departments of Agriculture, farm management firms, lenders, and similar qualified organizations).

(4) State Directors will enter into agreements with one or more qualified providers in each State to conduct the training.

(b) *Processing*—(1) *Agency review.* The determination of an applicant/borrower's need for enhanced training in production and financial management concepts will be made by the Agency. To make this determination, the Agency will review the case file (in the case of borrowers) and the complete application package for the assistance requested. A decision that the applicant/borrower needs such training cannot be used as a basis for rejecting the request for assistance. In the case of a cooperative, corporation, partnership, joint operation, trust, or limited liability company, any individual member holding a majority interest in the entity or who is operating the farm must agree to complete the training on behalf of the entity. However, if one entity member is solely responsible for financial or production management, then only that entity member will be required to complete the training in that area for the entity or qualify for a partial waiver. If the financial and production functions of the farming operation are shared, the knowledge and skills of the individual(s) with the responsibility of production and/or financial management of the operation will be considered in the aggregate for granting a waiver or requiring that training be completed. If a waiver is not granted, these individuals will be required to complete the training in accordance with their responsibilities for production and/or financial management. This training must be completed within 2 years after ''Agreement to Complete